

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE TN**

OCT 25 PM 4 41

IN RE:

**UNIVERSAL SERVICE FOR RURAL AREAS) DOCKET NO. 00-00523
GENERIC DOCKET)**

**COMMENTS OF VERIZON WIRELESS
ON OCTOBER 31, 2000 STATUS HEARING
CONCERNING UNIVERSAL SERVICE FOR RURAL AREAS**

To the extent its Petition for Leave to Intervene is granted, Cellco Partnership d/b/a Verizon Wireless respectfully submits the following comments in response to the Tennessee Regulatory Authority's (hereinafter "TRA" or the "Authority") notification of status hearing in the captioned proceeding.

As the Authority contemplates the matters surrounding rural companies involved in this proceeding, Verizon Wireless respectfully requests that the amount of its contributions to the Universal Service Fund (USF) be offset or lowered by that percentage of wireless-to-wireless calls and calls with wireless terminations that do not fully utilize wire line networks. For the purposes of funding Tennessee's USF, assessing all calls to and from wireless customers essentially results in double assessment to cellular service providers.

First, landline-to-wireless calls are doubly assessed as compared to landline-to-landline calls because wireless customers are typically charged for both outgoing and incoming calls. In addition, landline-to-wireless calls end on a wireless network with only its origination benefitting from the landline network and, thus, the universal service concept. To maintain an equitable assessment

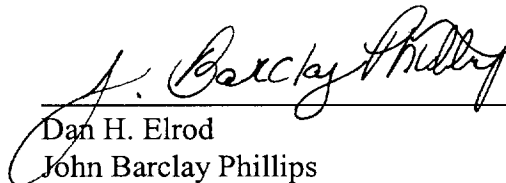
structure amongst all service users, revenues from incoming calls should not be included in a USF assessment.

Second, if the assessment imposed is on all telecommunications services, the services included in the assessment should at least bear some relationship to the network functions subsidized by universal service. For example, wireless carriers complete some portion of calls on their own networks. A wireless-to-wireless call may never pass through the wire line network, the costs of which are paid for by universal service. Moreover, if a wire line call is made to a wireless phone, only the portion of the network used to originate the call should be assessed. In these circumstances, neither the wireless consumer nor the wireless carrier obtains any benefit from the presence of the fixed network operator and there is no reason for either of them to share in the costs of universal service. Accordingly, no universal service surcharge should apply to wireless revenues earned from wireless-to-wireless calls, and a reduced contribution amount should apply to revenues associated with incoming wireless calls.

CONCLUSION

For the foregoing reasons, wireless revenues associated with calls which fall within these categories should not be included in the USF assessment.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Barclay Phillips", is written over a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served by U.S. Mail, postage prepaid, this 25 day of October, 2000, upon the following:

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Century Telephone of Claiborne
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TDS Telecom -
Humphreys County Telephone Company
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Century Telephone of
Ooltewah-Collegedale, Inc.
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Tellico Telephone Company, Inc.
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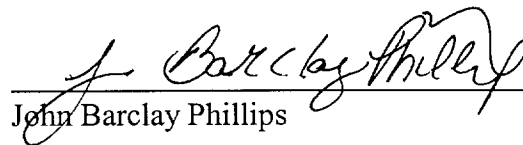
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